

Message Text

SECRET

PAGE 01 JIDDA 06057 311410Z

44

ACTION SS-25

INFO OCT-01 ISO-00 /026 W

----- 040922

R 311305Z AUG 75

FM AMEMBASSY JIDDA

TO SECSTATE WASHDC 2304

S E C R E T JIDDA 6057

EXDIS

DEPARTMENT PASS TREASURY

E.O. 11652: GDS

TAGS: PINT, SA

SUBJECT: RESIGNATION OF MINISTER OF FINANCE PRINCE MUSA'AD

REFS: A. JIDDA 3581 B. JIDDA 4886 C. JIDDA 5881

1. EMBASSY LEARNED AUGUST 30 THAT MINISTER OF FINANCE PRINCE MUSA'AD BIN ABD ARRAHMAN AL-SAUD HAS RESIGNED HIS POST. ACCORDING TO REPORTS REACHING EMBASSY, MINFIN MUSA'AD HAD RESIGNED AFTER LEARNING THAT PRESENT RE-ORGANIZATION OF MINISTRIES TOOK MANAGEMENT OF THE BUDGET OUT OF MINISTRY OF FINANCE'S PURVIEW. NEXT DAY PRINCE MUSA'AD RECONSIDERED HIS RESIGNATION, BUT WAS TOLD THAT IT HAD ALREADY BEEN ANNOUNCED AND COULD NOT BE RECALLED.

2. EMBASSY HAS ALSO HEARD PERSISTENT RUMORS THAT MINISTER OF COMMUNICATIONS AND TRANSPORTATION WILL BE REPLACED AFTER RAMADAN. ACCORDING TO RELIABLE SOURCES, HIS REPLACEMENT IS SAID TO BE PRINCE MISHAL, FORMER MINISTER OF DEFENSE. THE LATTER IS A VERY CAPABLE BUSINESSMAN WITH A SOUND REPUTATION.

3. 3. COMMENT: FINANCE MINISTRY HAD LONG BEEN RUMORED DUE FOR REORGANIZATION. PRINCE MUSA'AD'S RESIGNATION MIGHT CONFIRM THE RUMORS WHICH HAVE MINISTRY TO BE STRIPPED OF MOST OF ITS WIDE AUTHORITY IN BUDGET, STA-

SECRET

SECRET

PAGE 02 JIDDA 06057 311410Z

TISTICS, PERSONNEL MATTERS AND HOUSING AND REDUCED TO

STATUS OF A "TREASURY." PRINCE MUSA'AD HAD BEEN MINISTER SINCE MARCH 1962. ORIGINALLY APPOINTED TO INTRODUCE FISCAL AUSTERITY TO A MINISTRY STILL REELING FROM KING SAUD'S EXCESSES, MUSA'AD HAS RECENTLY BEEN ACCUSED OF BEING UNABLE TO SHIFT PRIORITIES OF HIS MINISTRY TO SPENDING VAST SUMS AVAILABLE FOR NATIONAL DEVELOPMENT. IN ADDITION TO HIS REPUTATION FOR TIGHT-FISTED CONTROL OF GOVERNMENT SPENDING, MUSA'AD WAS KNOWN TO BE SCRUPULOUSLY HONEST. HIS DEPARTURE MAY INDEED MEAN MORE LIBERAL SPENDING ON DEVELOPMENT PLANS AND COULD RESULT IN BETTER GOVERNMENT SALARIES.

4. WE ARE INFORMED THE MINISTRY OF STATE FOR FINANCE, MOHAMMED ABA AL-KHAYL WILL BE ACTING AT LEAST TEMPORARILY IN MUSA'AD'S PLACE. HE IS HONEST AND ABLE, BUT STRIKES US AS BEING OF THE SAME CONSERVATIVE SCHOOL OF THOUGHT AS HIS FORMER BOSS. UNLIKE MUSA'AD THOUGH, WHO WAS A SENIOR PRINCE, ABA AL-KHAYL DOES NOT HAVE ANY INDEPENDENT STATUS. MUSA'AD'S DEPARTURE MIGHT, THEREFORE, ALSO MEAN A SIZEABLE INCREASE IN THE AMOUNT OF GOVERNMENT MONEY NOW FINDING ITS WAY THROUGH INVISIBLE CHANNELS INTO THE HANDS OF THE VARIOUS PRINCES AND LEADING FAMILIES. IF MUSA'AD'S DEPARTURE FURTHERMORE RESULTS IN A CHANCE FOR VARIOUS MINISTERS TO OPEN THEIR OWN DOORS TO MASSIVE INCREASES IN SPENDING, OVERCONSUMPTION COULD KICK THE RATE OF INFLATION SKY HIGH.

3. PRINCE MUSA'AD'S RESIGNATION, WHICH HAS BEEN EXPECTED FOR A WHILE, COULD BE THE FIRST STEP IN THE CREATION OF NEW MINISTRIES (SEE REFTELS) AND DOWNGRADING OF OLD ONES. FURTHER CHANGES ARE GENERALLY EXPECTED AFTER RAMADAN -- SOMETIME IN OCTOBER. THESE CHANGES, IF THEY OCCUR, WOULD MARK THE FIRST MAJOR MINISTERIAL REORGANIZATION (AND RESHUFFLE) SINCE 1962, AND THE END OF THE TRANSITIONAL CALM MARKING PERIOD AFTER FAISAL'S ASSASSINATION.

AKINS

NOTE BY OC/T: NOT PASSED TREASURY.

SECRET

NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CABINET, PERSONNEL RESIGNATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 31 AUG 1975
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: johnsorg
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975JIDDA06057
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750301-0884
From: JIDDA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t1975081/aaaaaahd.tel
Line Count: 98
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION SS
Original Classification: SECRET
Original Handling Restrictions: EXDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: SECRET
Previous Handling Restrictions: EXDIS
Reference: 75 JIDDA 3581, 75 JIDDA 4886, 75 JIDDA 5881
Review Action: RELEASED, APPROVED
Review Authority: johnsorg
Review Comment: n/a
Review Content Flags:
Review Date: 19 AUG 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <19 AUG 2003 by KelleyW0>; APPROVED <23 DEC 2003 by johnsorg>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: RESIGNATION OF MINISTER OF FINANCE PRINCE MUSA'AD
TAGS: PINT, SA, (MUSA'AD, PRINCE)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006